

Approved in S
February 28, 1972

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DEPARTMENT OF STATE

Memorandum of Conversation

DECLASSIFIED
PA/HO, Department of State
E.O. 12958, as amended
Date: 6-30-05

DATE: February 22, 1972
TIME: 2:00p.m.

SUBJECT: Counterpart Meetings Between the Secretary of State
and the Foreign Minister of the People's Republic
of China - I

PARTICIPANTS: Chi P'eng-fei - Foreign Minister
Hsiung Hsiang-hui - Secretary to the Premier
(Foreign Affairs)
Wang Chen - Deputy Director, Information Department
Ch'ien Ta-yung - Deputy Director, West European,
American and Australasian Affairs
Li Tsung-ying - Leading Member, Research Group
Ting Yuan-hung - Member, Delegation to the UNGA
Shen Jo-yün - Interpreter
Hu Chuan-chung - Interpreter
Hu Fang Hsien - Stenographer

William P. Rogers - Secretary of State
Marshall Green - Assistant Secretary of State - EA
Ron Ziegler - Press Secretary to the President
John Scali - Special Consultant to the President
Alfred le S. Jenkins - Director for Asian Communist
Affairs - EA
Nicholas Platt - Assistant to the Secretary
Commander John Howe - National Security Council Staff
Charles W. Freeman, Jr. - Interpreter

PLACE: Sinkiang Room, Great Hall of the People, Peking, PRC

COPIES TO: S S/S White House - Dr. Kissinger
U EA
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S/S-S:NP/Platt:ced

(Drafting Office and Officer)

NOTES REVIEW

☒ Caption removed,
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Reviewed by: Elijah Kelly Jr
Date: 7/8/72 19

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After an initial exchange of greetings, the Secretary opened the meeting by thanking the Chinese for the graciousness of their welcome. One has to experience Chinese hospitality to understand how well deserved is their world-wide reputation in this regard. It was also now clear to him why the Chinese and American people had such a high regard for each other.

The talks held between Chairman Mao and President Nixon have set the stage for our talks, the Secretary continued. He hoped that the talks could reflect the favorable attitudes of the two peoples for each other. The history of the last 20 years have, he liked to think, been an aberration and not the norm. It was time that we returned to the norm.

Expressing a personal note, the Secretary told the Foreign Minister that everyone on the American side of the table had long felt the need for better relations with the People's Republic of China (PRC). Of course differences would remain, but the purpose of the talks was to find common ground and make what progress we could. As he had told the Foreign Minister on the way from the airport, the United States is prepared to proceed in any way the Chinese see fit, and at a pace of their choosing. We recognize that the dramatic events we are involved in create practical political problems for both of us. The U.S. is prepared to take these problems into account and accommodate the Chinese standpoint in the actions we take.

It is important, the Secretary continued, to develop a spirit of trust. We are prepared to be both candid and discreet, disclosing only the information about the talks upon which both sides agree. Hoping that both sides could develop procedures for discussing questions informally and tentatively without treating each idea as a firm proposal. The Secretary closed by asking the Chinese how they wished to proceed.

Foreign Minister Chi responded by welcoming the Secretary and his delegation and expressing pleasure at the opportunity to exchange views. The task for the

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counterpart talks, as outlined at the plenary, had been to discuss the specifics of the normalization process. Matters of principle can be touched upon in the course of the specific discussions. As the Premier and President had said, our discussions should be a frank search for common ground which recognized the differences between us.

After an exchange on whether to discuss principles or specifics first, it was agreed that specifics would be the first topic.

The Secretary stated that we could not expect complete normalization. We are looking for an improvement in relations which will move us in the direction of normalization. "Normal" is a difficult word to define. We have relations with some 140 countries. We have problems with all of them. It is difficult to say with which ones of them our relations could be called "normal." The question before us now is how we can achieve better relations, while recognizing that we have problems and that the difficulties will continue.

The most important gesture, the Secretary continued, has already been made. Your country has invited our President to visit. That beginning having been made, it is now important that we set up some arrangement which will provide for further communication and contacts. These are the points upon which we should begin our specific discussions.

There are a number of ways to achieve better communication and contacts. Before discussing these, the Secretary asked whether the Foreign Minister agreed that this is the topic which should be discussed first.

The Foreign Minister responded that exchanges between peoples were a good way of improving contacts, and that in the absence of diplomatic relations it would be better to concentrate on this means. To the Chinese, normalization means establishment of diplomatic relations. Since we have none, our relations are not normal. We believe that we can take some gradual steps to promote

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normalization. In the process prior to normalization and the establishment of diplomatic relations we prefer to stick to improvement of people-to-people contacts. The Governments should assist in the process of improving people-to-people contacts, the Foreign Minister concluded.

The Secretary agreed that an improvement in people-to-people contacts was a step towards normalization, and that the United States was prepared to move as fast as the PRC wished in facilitating exchanges. At the same time he recognized that more people-to-people contacts will involve increased government action. Let us start on the principle of increased people-to-people contacts, while recognizing that we will have to improve governmental communications and contacts at the same time.

The Foreign Minister responded that this is why he had said it was necessary for governments to provide support so that people-to-people relations may develop.

At this point the Foreign Minister said he understood that there was a fingerprinting requirement for some people traveling to the United States. After consulting with the U.S. delegation, the Secretary replied that he believed the requirement no longer existed, but he would look into it. (Mr. Platt was sent to phone Washington.)

The Foreign Minister observed that fingerprinting was a sensitive subject in China, because in the old days landlords required the fingerprint of their tenants on feudal agreements.

(Mr. Platt returned and reported that there is no longer any fingerprinting requirement.)

The Foreign Minister asked if the Secretary had any suggestions on the means of improving communications.

The Secretary responded that we were flexible on this point, but thinks it would be helpful if we had direct communications between the governments and personnel to facilitate contacts. It did not matter how it was done or the labels applied, e.g., trade office or interest section, as long as we can agree on the principle. We will implement

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it in any way the PRC wishes in order to avoid impairing the PRC's status. What is important is that there be a few people in the U.S. and in Peking to take care of the practical problems of communication. (At this point Hsiung Hsiang-hui got up and left the room for a moment.)

Mr. Platt's experience just now in calling Washington is a clear case in point the Secretary continued. Through good communications, we were able to clear up instantly a misunderstanding. The U.S., the Secretary continued, has good relations with Algeria without formal diplomatic ties. In the case of Japan, the PRC has worked out a channel of communication through trade offices.

The Foreign Minister responded that this was a question we should mark for further study. We should try to work out some way to improve contacts and communication. However, the Taiwan question does present problems. It does not matter much if you have an organization in our country, but we can't have one in yours, because there is a Chiang kai-shek embassy in Washington. Japan is a different case. There, we have only a non-governmental trade organization.

The Secretary asked why the U.S. couldn't have a non-governmental trade organization in Peking.

Foreign Minister Chi replied that the Taiwan question is central to our relationship. We may talk about exchanges and contacts, but we always get back to Taiwan.

Hsiung Hsiang-hui interjected that these questions had been discussed during previous trips with Mr. Jenkins and Mr. Ziegler. The problem of the Taiwan table tennis team was a case in point. Last year the U.S. table tennis team visited China, and the PRC was all set to reciprocate. All of a sudden in August the Chinese heard that a Taiwan table tennis team was touring eight U.S. cities. Where did they get the visas? 2
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The Secretary told Mr. Hsiung that he got the point and would do everything possible to avoid embarrassment in the future. He explained that under our system travel to

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and from the U.S. is made as easy as possible, and that a case such as that of the Taiwan table tennis team might not, and in this instance certainly did not come to his attention. (Mr. Green interjected that the incident was an error.) The incident, however, did not change the fact that better contacts were needed. On the contrary, it was just the kind of problem that could be avoided through better contact. The Secretary added that he was in telephone contact with a large number of foreign ministers who got in immediate touch with him when they had problems. While this might not be possible now with China, it was something to think about for the future.

The Foreign Minister replied that the question needed further study, but agreed to look for further ways.

Exchanges

The Foreign Minister asked for the Secretary's views on exchanges.

The Secretary replied that the U.S. table tennis team had been beaten so badly that we now acting under the principle of reciprocity had to find programs in which American teams could beat the Chinese.

The Foreign Minister laughed and said that the PRC believed in friendship first and competition second. In any case they would arrange to have the U.S. beaten by only a little bit.

The Secretary replied that that was not good enough.

In the course of the free flowing conversation that followed, the Chinese expressed interest in exchanges involving basketball, tennis, badminton, and gymnastics. The Secretary agreed that gymnastics would be popular in the U.S., and suggested touring tennis teams and clinics like the one run by Arthur Ashe in Africa last year. He also suggested that some young American swimmers might be a good contact point with Chinese youth.

The Secretary asked whether exchanges might be possible in the medical and scientific fields and Foreign

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Minister Chi replied that Chinese doctors were interested in travelling to the U.S. Furthermore, the PRC was preparing to send delegates to the environmental conferences in Stockholm.

Trade

The Foreign Minister asked for the Secretary's views on trade.

The Secretary expressed the view that an expansion of trade, at whatever rate the PRC wished, would improve relations between the two countries. President Nixon had taken a number of steps to indicate our willingness to expand trade. The U.S. thinks of trade with the PRC both in terms of political and economic significance.

Speaking very frankly, the Secretary continued, the PRC has developed a remarkable self-reliance and does not really need trade with the U.S. For its part, the U.S. has developed its tremendous industrial potential and trade contacts all over the world and trade with China initially would have little economic significance. Thus trade, the Secretary repeated, probably will have minimal commercial effect. Rather, it is important as evidence of the improvement in our relationship. If the PRC decided that it did not wish trade with the U.S. that was acceptable too. The U.S. is prepared to build on the President's and Chairman Mao's initiative by other means. While relaxed about it, the U.S. believes trade would nonetheless be of considerable mutual benefit, the Secretary concluded, and asked the Foreign Minister for his views.

The Foreign Minister said that the PRC's foreign trade was guided by the principles of equality and mutual benefit and the exchange of needed goods. PRC foreign trade volume was not large and depended upon domestic requirements. The PRC trades now with 120 countries, some of which have no diplomatic relations with it. The PRC would be willing to carry out a very limited amount of trade with the U.S. on a non-governmental basis.

The Secretary stated that U.S. businessmen like to compete. Where they think there is a market they will try to supply it. There is no way the U.S. Government can keep them from expressing their interest.

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Foreign Minister Chi then raised the issue of Most Favored Nation status, saying that he understood the U.S. would allow trade but impose tariffs several fold by comparison with those imposed on the goods of trading partners like Hong Kong which enjoy Most Favored Nation status.

The Secretary said that many goods were under no tariff at all but he would check on the details of Most Favored Nation tariff rates and inform the Foreign Minister the next day. The important question was whether or not the PRC wished to increase trade with the U.S.

The Foreign Minister replied that the question of MFN treatment was of importance. The materials which the Chinese side had on U.S. trade reflected policies developed when the U.S. and the PRC were hostile. However, the PRC does not demand MFN treatment in order to expand trade relations on a limited basis.

The Secretary stated that U.S. tariff statutes were not aimed at China.

The Foreign Minister replied that a significant expansion of trade would require a change in the U.S. statutes.

The Secretary answered that the U.S. could not simply change its laws. In any case, mutual benefit should rule. If the PRC can benefit from trade with the U.S. and vice versa, let us have it. If not, let's not. He did not wish to give the impression that the U.S. was pressing for trade.

The Foreign Minister told the Secretary that there were many corporations in the U.S. which were anxious for trade with the PRC and were pressing the Ministry of Foreign Trade. The government might be relaxed about trade, but the corporation clearly wanted it.

The Secretary replied that the U.S. Government had no control over private companies. They exist to do business, and their eagerness has nothing to do with the

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government. The Secretary then reiterated that the U.S. wanted trade, but that it was not essential to an improvement in US-PRC relations. Experience in trading with communist countries had shown that they liked to trade with the United States. The Yugoslavians and the Romanians were constantly in touch with the U.S. on ways to increase trade.

The Foreign Minister stated that he was now clear on the U.S. position and felt that both sides understood each other better.

The Secretary replied that some trade experience would be required to eliminate the misunderstandings that were bound to crop up between communist and democratic trading partners.

The Foreign Minister stated that the PRC was prepared to issue invitations to a small number of companies to attend the Canton Fair this spring. The PRC has total control and the problem will be easy to tackle.

The Secretary expressed his pleasure at this, and offered to consult on any problems that might arise with American companies or businessmen. American businessmen, the Secretary continued, are competitive, but they supply good products and keep their word.

The meeting ended with the Foreign Minister expressing a desire to exchange views on general questions at the next meeting.

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